

Minutes of the Meeting of April 29, 2022

of the

MASSACHUSETTS TEACHERS' RETIREMENT BOARD

I. Regular Matters of Business

In attendance at this regular meeting of the Massachusetts Teachers' Retirement Board ("the Board") were Chairman Ventura Rodriguez, Vice Chair Nicola Favorito, Jacqueline A. Gorrie, Michael Leung-Tat, Richard L. Liston, Dennis J. Naughton, Anne Wass, Executive Director Erika Glaster, Assistant Executive Director Sean Neilon, Assistant Executive Director Jonathan Osimo, General Counsel James O'Leary, Senior Legal Counsel Salvatore Coco, and Executive Assistant Helen Petruzzello.

The meeting was called to order at 9:05 a.m. Chairman Rodriguez stated that in accordance with the extension of the Governor's Executive Order Suspending Certain Provisions of the Open Meeting Law, all Board members and Board staff were participating remotely via videoconferencing. The MTRS Executive Director and the Executive Assistant were in the Board room at the main MTRS office in Charlestown, which was open to the public. In addition, the meeting was made available to the public via a teleconference line. Any individual with a matter before the Board who chose to participate was participating remotely in the same manner as the Board and staff. Chairman Rodriguez asked for all Board members to state their names for the record before speaking and stated that all votes would be conducted via roll call.

The minutes of the previous Board meeting, held on March 25, 2022, were reviewed and approved as submitted. Mr. Naughton made a motion, which was seconded by Ms. Wass to approve the minutes. On roll call, the vote was as follows:

VOTED: Vice Chair Nicola Favorito	Yes
Jacqueline A. Gorrie	Yes
Michael Leung-Tat	Yes
Richard L. Liston	Yes
Dennis J. Naughton	Yes
Anne Wass	Yes
Chairman Ventura Rodriguez	Yes

**The Open and Executive Session minutes of the Board meeting held
on March 25, 2022, are hereby approved as submitted.**

II. Executive Session

Before entering Executive Session, the Chairman asked and received oral confirmations from each participant that no other individuals were able to overhear the confidential proceedings at their various locations.

A motion was made by Ms. Wass and seconded by Ms. Gorrie to enter Executive Session to consider applications for disability retirement benefits and a possible forfeiture of benefits. On roll call, the vote was as follows:

VOTED: Vice Chair Nicola Favorito	Yes
Jacqueline A. Gorrie	Yes
Michael Leung-Tat	Yes
Richard L. Liston	Yes
Dennis J. Naughton	Yes
Anne Wass	Yes
Chairman Ventura Rodriguez	Yes

At 9:07 a.m. the Board went into Executive Session. The public teleconference call line was suspended. The Chairman stated that the Board would return to Open Session.

At 10:52 a.m. the Board reconvened in Open Session and the door to the Board room was again opened to the public and the public teleconference line resumed.

III. Open Session

A. POST RETIREMENT EXCESS EARNINGS, G.L. c. 32, §91(b)

Mr. O'Leary presented an overview of Hearing Officer Salvatore Coco's report and recommendation for the recovery of the post retirement excess earnings of Mary Ellen Kelleher in the amount of \$365,908.65.

On a motion made by Mr. Favorito and seconded by Mr. Leung-Tat, the Board voted to review the Hearing Officer's recommendation. After a discussion noting their fiduciary responsibility and concern for the optimum recovery of the funds noting

the advanced age of Ms. Kelleher, the Board voted to accept the Hearing Officer's recommendation and directed Board staff to research, review and explore all available avenues to recover the overpayment in the most effective and timely manner. The vote was as follows:

VOTED: Vice Chair Nicola Favorito	Yes
Jacqueline A. Gorrie	Yes
Michael Leung-Tat	Yes
Richard L. Liston	Yes
Dennis J. Naughton	Yes
Anne Wass	Yes
Chairman Ventura Rodriguez	Yes

B. MTRS FY23 OPERATIONAL BUDGET

Ms. Glaster presented the proposed FY 2023 Operating Budget, totaling \$19,070,038, which is 2.74% higher than the FY 2022 Operating Budget. Ms. Glaster noted that since the proposed budget is less than 3.0% above the prior year's budget, the Legislature requires a thirty-day review period. Ms. Glaster reviewed the Salaries and Fringe Benefit Expenses line item and answered Board members' questions. At this point, the Chairman noted the thoroughness of the memorandum and suggested that Ms. Glaster only address areas where board members had questions or concerns. Ms. Glaster answered questions concerning the new Cyber Security Incident Response line item and discussed the rent and other IT expenses. Ms. Glaster urged board members to feel free to individually contact her with any questions that may arise and noted that she will ask for the Board's approval of the FY 2023 budget at their May meeting.

C. EXECUTIVE DIRECTOR'S REPORT

1. Ms. Glaster included in the Board materials the latest copy of continuing educational offerings from PERAC. She also reminded board members, if they had not already done so, to complete their Statement of Financial Interests filing in PROSPER by the deadline.
2. Ms. Glaster stated that earlier that day she had forwarded the board members a recent Boston College Center for Retirement Research report. Ms. Glaster noted that its author, Jean-Pierre Aubry, had made revisions from his original draft, after a meeting with Ms. Glaster, Mr. Favorito and Mr. Neilon

during which they clarified misstatements regarding funding and assumptions decisions.

3. In Massachusetts news, Ms. Glaster highlighted items in Mr. Neilon's report, including the approval in the supplemental budget of the Russian divestment law, and items of interest in the FY23 House budget, including a 5.0% COLA for state and teacher retirees. In addition, Mr. Neilon's report included information from State Actuary John Boorack on the likely impact of the 2021 investment gains on the system's funded status.

Ms. Glaster reported the April installment of the additional contribution to the PRIT fund pursuant to Chapter 33 of the Acts of 2021 was processed on April 1st and will continue each month as long as revenues continue to exceed projections.

4. In operational news, Ms. Glaster referenced Mr. Osimo's Member Services quarterly report, noting the 14% increase in summer retirement applications as compared to last year at this time. This brings the total to approximately 1,000 applications between both offices that must be processed on the July benefits warrant in order to meet the agency's service goal for on-time filers.
5. Regarding the V10 upgrade, Ms. Glaster reported the agency continues to be in the remediation phase of the project, when all high and medium level defects are required to be fixed by Vitech before the project holdback funds are released. Ms. Glaster stated there are currently 41 open tickets, down from 99 last month, that must be addressed during the remediation period. Ms. Glaster explained a new issue that impacted approximately 65 benefit recipients' March benefit payments. Fifteen of the cases involved a dropped bank routing number and 40 involved retirees' payments being deposited in their alternate payees' accounts. Staff notified all recipients and resolved the issues through the use of the pension advance account and recovery procedures from the Office of the State Treasurer. Ms. Glaster noted the timely assistance of Minot Powers from the Treasury. The agency has met with Vitech staff to determine the cause of the issues and Ms. Glaster plans to follow up with Vitech leadership.
6. In a personnel update, Ms. Glaster announced that the agency has filled all its open positions. The last open positions were filled by current state employees, including Jermaine Griffin from the Executive Office of Technology & Security Services (EOTSS) who will start in the Network Services unit, and Lori Krusell, from the Massachusetts State Employees' Retirement System, who will be taking a position as Associate General

Counsel. Ms. Glaster stated she is very excited to welcome them to the agency.

Mr. Neilon answered a couple of follow up questions on the status of the R+ and the MTA-sponsored ERI bills. Ms. Wass thanked Ms. Glaster and staff for the recent letter sent to the Governor, Senate President and Speaker of the House in support of PERAC's legislative efforts seeking relief for Massachusetts public retirees whose pension benefits have been jeopardized as a result of the recent Supreme Judicial Court decision, *Worcester Regional Retirement Board v. PERAC* (SJC13177, 2/4/22).

On a motion made by Ms. Gorrie and seconded by Ms. Wass, the Board voted to adjourn the meeting. On roll call, the vote was as follows:

VOTED: Vice Chair Nicola Favorito	Yes
Jacqueline A. Gorrie	Yes
Michael Leung-Tat	Yes
Richard L. Liston	Yes
Dennis J. Naughton	Yes
Anne Wass	Yes
Chairman Ventura Rodriguez	Yes

The meeting was adjourned at 12:20 p.m.

Respectfully submitted,

Erika M. Glaster,
Executive Director

Date

Documents used in MTRS Board meeting of April 29, 2022

- Agenda for April 29, 2022 MTRS Board meeting
- Cover letter from Executive Director
- Open and executive session minutes of MTRS March 25, 2022 Board meeting
- Memorandum and supporting documents pertaining to Post Retirement Excess Earnings, G.L. c.32, §91(b)
- Memorandum and supporting documents pertaining to FY23 Operational Budget